

**INSTRUCTIONS FOR COMPLETION OF**  
**CE OPERATING REPORT FORMS**

## **GENERAL INFORMATION**

1. Line and column references are used throughout the instructions to point to specific pieces of information. Lines are identified by numbers, and column references can easily be determined by counting the number of columns from left to right.
2. The case name and case number must be identified at the top of each page of the Monthly Operating Report.
3. For the schedules at CF-1 and CF-3, there are three columns titled "Month." The first "Month" column should be used to report information for the first month of the calendar quarter; the second for the second month of the calendar quarter; and the third for the third month of the calendar quarter.

Also, at CF-1 there is a column titled "Quarter Total." This column should be completed only at the last month of the calendar quarter. Its value will be the sum of the monthly amounts added horizontally by line. If the filing of the bankruptcy occurred in either the second or third month of the calendar quarter, this column may only be the sum of the second and/or third months, as the first "month" column would not have been completed.

4. Cross-references are between corresponding reporting periods, unless otherwise noted.
5. All negative amounts must be shown in brackets.
6. All questions and schedules must be read carefully, and any questions should be discussed with counsel for the debtor.

## **COVER/SIGNATURE PAGE**

The cover/signature page (CF) for the Monthly Operating Report must accompany each month's submission. The form requires the signature of the person having responsibility for the chapter 11 filing (e.g., in a corporate case, the president or chief operating officer; in a limited partnership, the general partner), as well as the signature of the preparer (if other than the responsible party). The preparer may be an employee of the debtor, such as a chief financial officer, or a non-employee, such as an outside accountant. Both the responsible party and the preparer sign the report under penalty of perjury.

## **CF-1, CASH RECEIPTS AND DISBURSEMENTS**

The Cash Receipts and Disbursements schedule reflects actual financial information for the period covered by the report. It must be prepared utilizing the cash basis of accounting. That is, this form should report all funds which have been received by the estate and/or disbursed by the estate during the reporting period.

### **Line 1 - Cash-Beginning of Month**

Enter the amount of cash available at the beginning of the reporting period. The amount reported here should agree with the amount reported as the "Cash-End of Month" on the previous month's CF-1 at Line 36.

## **RECEIPTS**

### **Line 2 - Cash Sales**

Enter the amount of cash receipts collected during the reporting period from new sales.

### **Line 3 - Accounts Receivable Collections**

Enter the amount of cash receipts collected during the reporting period from accounts receivable.

### **Line 4 - Loans & Advances**

Enter the amount of cash received during the reporting period from all loans and advances. Include any amount received from insiders.

### **Line 5 - Sale of Assets**

Enter the amount of cash receipts received during the reporting period that were generated from the sale of assets outside the ordinary course of business.

**NOTE:** Court approval is required before any estate asset can be sold outside the ordinary course of operations. Any questions concerning this requirement should be discussed with counsel.

**Line 6 - Lease & Rental Income**

Enter the amount of cash received during the reporting period from the lease and rental of property. An example is cash received from the rental of apartment buildings and offices.

**Line 7 - Wages**

Enter the net amount of cash received during the reporting period from employee wages. Include salaries, commissions, bonuses, car allowances and other similar items.

**Line 8 - Other (Attach List)**

Enter the amount of other cash receipts not included in any of the above entries. Attach an itemized list. Examples include interest actually received, royalty payments and refunds/rebates on insurance policies.

**Line 9 - Total Receipts**

SUBTOTAL: Add Lines 2 through 8 and enter the sum.

**DISBURSEMENTS****Lines 10-28**

Enter the amount of cash disbursements made during the reporting period, as categorized by the appropriate line items. Enter only the actual amounts paid, not the amount of accrued expenses.

**Line 14 - Mortgage Payments**

Enter the aggregate amount of mortgage payments, for both personal and business properties, made during the reporting period. Include any adequate protection payments.

**Line 15 - Other Secured Note Payments**

Enter the aggregate amount of other payments made during the reporting period to secured creditors, including adequate protection payments, which were not included on Line 14.

**Line 16 - Rental and Lease Payments**

Enter the aggregate amount of rental and lease payments made during the reporting period, for both personal and real property.

**NOTE:** The sum of the amounts reported on Lines 14 through 16 should agree with the amount reported on the Postpetition Status of Secured Notes, Leases Payable and Adequate Protection Payments schedule at CF-5, Line 6, Column 3.

**Line 29 - Total Ordinary Disbursements**

**SUBTOTAL:** Add Lines 10 through 28 and enter the sum.

**REORGANIZATION EXPENSES**

**Line 30 - Professional Fees**

Enter the aggregate amount paid (including fees and expenses) during the reporting period for the services of professionals, including work for legal services, accounting services, brokerage/auctioneer services, consulting services, etc.

**NOTE:** This amount is itemized on the Payments to Professionals schedule at CF-5, and should agree with the total reported on Line 6, Column 4, of that schedule.

**Line 31 - U.S. Trustee Fees**

Enter the amount paid to the U.S. Trustee during the reporting period for the statutory chapter 11 quarterly fees.

**Line 32 - Other (Attach List)**

Enter the amount of all other expenses paid during the reporting period which were directly attributable to the bankruptcy proceeding and which were not included in any of the above entries.

**Line 33 - Total Reorganization Expenses**

**SUBTOTAL:** Add Lines 30 through 32 and enter the sum.

### **Line 34 - Total Disbursements**

**SUBTOTAL:** Add Line 29 and Line 33 and enter the sum. This amount should agree with the amount reported on CF-1A on the "Total Disbursements for the Month" line.

### **Line 35 - Net Cash Flow**

**SUBTOTAL:** Subtract Line 34 from Line 9 and enter the amount.

### **Line 36 - Cash-End of Month**

**TOTAL:** Add Line 1 and Line 35 and enter the sum. This amount should agree with the amount reported on CF-2, Line 14; and with the sum of the amounts reported on Lines 1 and 2, Schedule "B," CF-3.

## **CF-1A, CASH DISBURSEMENTS DETAIL**

This form is a supporting schedule for CF-1. It itemizes all individual disbursements reported on CF-1 which were made during the reporting period.

### **CASH DISBURSEMENTS**

In this section, the debtor is required to report specific cash transactions that occurred in the estate where cash was received and the cash was disbursed without going through the checking account. As an example, a small restaurant may pay certain vendors from cash on hand.

The following information must be itemized for each cash disbursement.

- Column 1:** Enter the date of disbursement.
- Column 2:** Enter the name of the payee.
- Column 3:** Explain the purpose of the disbursement.
- Column 4:** Enter the amount of the disbursement.

Add the amounts reported in Column 4 and enter the total on the "Total Cash Disbursements" line.

**NOTE:** Debtors are strongly discouraged from making payments from cash on hand, as such payments do not reflect sound business and accounting practices.

## **BANK ACCOUNT DISBURSEMENTS**

This section requires the listing of all checks written on estate bank accounts during the reporting period. The following information must be itemized for each disbursement.

Column 1: Enter the number of the check.  
Column 2: Enter the date of the check.  
Column 3: Enter the name of the payee on the check.  
Column 4: Explain the purpose of the disbursement.  
Column 5: Enter the amount of the check.

Add the amount of each check disbursement shown in Column 5, and enter the total on the "Total Bank Account Disbursements" line.

In many instances, the debtor will write a check for cash. To properly report the use of the cash, the debtor must include a detailed explanation of the purpose of the cash.

Example:

CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
1025	1/8/94	Cash	ABC Supply Co. - \$165 Handyman - \$60 Lunches - \$85 Miscellaneous Expenses- \$40	\$350

**NOTE:** Debtors are strongly discouraged from writing checks payable to "cash" or the "debtor," as such payments do not reflect sound business and accounting practices.

## **TOTAL DISBURSEMENTS FOR THE MONTH**

This is the last line of the form. Enter the sum of the amounts reported on the "Total Cash Disbursements" and "Total Bank Account Disbursements" lines. The amount reported here should agree with the amount reported on CF-1, Line 34.

## **CF-2, BANK RECONCILIATIONS, INVESTMENT ACCOUNTS AND CASH**

The Bank Reconciliations schedule reconciles all bank accounts, comparing the amounts reported on the monthly bank statements to the amounts reflected in the debtor's books. This schedule has columns for three separate bank accounts (Columns 2, 3 and 4), as well as a column for the total of all accounts (Column 5). Additional copies of this form should be used if the debtor has more than three bank accounts. Lines A, B and C should identify the name of the bank, the account number and the purpose or type of account (e.g., operating account, payroll, tax, etc.). The line item requests are self-explanatory.

The Investment Accounts schedule reflects all investment accounts held by the debtor. Up to four accounts can be reported on this schedule; additional copies of this form should be used if the debtor has more than four investment accounts. In Column 1 of this schedule, each investment account should be itemized to include the name of the bank, the account name and the account number. The remaining columns are self-explanatory.

The Cash schedule reflects the amount of all currency on hand (i.e., funds which are not in a depository institution). An example is a petty cash fund.

To obtain the figure to be reported on Line 14, add the amounts shown at Line 5, Column 5; Line 12, Column 5; and Line 13. This total should agree with the amount reported on CF-1, Line 36; and with the sum of the amounts reported on Lines 1 and 2, Schedule "B," of CF-3.

## **CF-3, ASSETS OF THE ESTATE**

This form presents a "snap shot" of the assets of the debtor in possession at a specific point in time. Asset values appearing in Column 2, Schedule Amount, should agree with values appearing on the Schedules of Assets and Liabilities filed with the Bankruptcy Court. In the "Month" columns, the asset values should be valued using the same method that was used in preparing the schedules. Thus, to the extent that no assets have been disposed of, the values would remain the same. Assets acquired or disposed of during the bankruptcy should be reflected on the appropriate lines.

**NOTE:** Column 2, Schedule Amount, should remain the same for each monthly report.



## **SCHEDULE "A" REAL PROPERTY**

### **Lines 1-4**

Itemize all separate parcels of real estate in which the debtor has an ownership interest. In Column 1, provide a description of the property (e.g., street address, single family home or multi-unit rental building or other identification).

### **Line 4 - Other (Attach List)**

Enter the value of additional parcels of real estate not reported on Lines 1 through 3 and attach an itemized list.

### **Line 5 - Total Real Property Assets**

SUBTOTAL: Add Lines 1 through 4 and enter the sum.

## **SCHEDULE "B" PERSONAL PROPERTY**

### **Lines 1-33**

Enter the amount of assets as categorized by the appropriate line items.

NOTE: All assets owned by the debtor must be listed in either Schedule "A" or "B."

The sum of Line 1 and Line 2 should agree with the amount reported on CF-1, Line 36; and with the amount reported on CF-2, Line 14.

### **Line 33, Other (Attach List)**

Enter the amount of other personal property not included in any of the above entries. Attach an itemized list.

### **Line 34 - Total Personal Property Assets**

SUBTOTAL: Add Lines 1 through 33 and enter the sum.

### **Line 35 - Total Assets**

TOTAL: Add Line 5 of Schedule "A" and Line 34 of Schedule "B" and enter the sum.

## **CF-4, LIABILITIES OF THE ESTATE**

This form presents a "snap shot" of the liabilities of the debtor in possession at a specific point in time.

### **PREPETITION LIABILITIES**

#### **Lines 1-4**

Enter the amount of prepetition liabilities as categorized by the appropriate line items. Amounts appearing in Column 2, Schedule Amount, should agree with the amounts appearing on the Schedule of Assets and Liabilities filed with the Bankruptcy Court. In Column 3, enter the amounts actually paid during the reporting period on prepetition liabilities.

#### **Line 5 - Total Prepetition Liabilities**

**TOTAL:** Add Lines 1 through 4 and enter the corresponding sum for each column.

### **POSTPETITION LIABILITIES**

This schedule reports new obligations that have been created since the filing of the bankruptcy petition that have not been paid in full as of the end of the reporting period. The form requires the debtor to list the name of the creditor (Column 1), when the obligation was incurred (Column 2), the amount owed as of the end of the reporting period (Column 3), the date the obligation is due (Column 4) and any amount which is past due (Column 5).

#### **Lines 1-5**

Enter the requested information for the itemized categories of taxes.

#### **Line 5 - Other Taxes (Attach List)**

Enter the amount of other taxes incurred which were not reported in any of the above entries. Attach an itemized list.

#### **Line 6 - Total Taxes**

**SUBTOTAL:** Add Lines 1-5 and enter the corresponding sum for Columns 3 and 5.

**Lines 7-29**

Itemize the postpetition liabilities (other than taxes) that have been created since the filing of the bankruptcy petition. Provide the information required in each column for each creditor identified in Column 1.

**Line 30**

**SUBTOTAL:** Add Lines 7 through 29 and enter the corresponding sum for Columns 3 and 5.

**Line 31**

**TOTAL:** Add Line 6 and Line 30 and enter the corresponding sum for Columns 3 and 5.

**CF-5, PAYMENTS TO INSIDERS AND PROFESSIONALS  
AND POSTPETITION STATUS OF SECURED NOTES,  
LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

This form is separated into three schedules: payments to insiders, payments to professionals, and the postpetition status of secured notes, leases payable and adequate protection payments.

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

**Insiders**

The schedule for payments to insiders itemizes all payments to insiders made during the postpetition period. For each insider, provide the following information.

**Column 1:** Itemize the names of the insiders who have been paid during the postpetition period. Up to five entries can be recorded on this schedule; additional copies of this form should be used if the debtor has more than five entries.

**Column 2:** Explain the type of payment (e.g., salary, bonus, commissions, car allowances, etc.).

**Column 3:** Enter the amount actually paid during the reporting period.

**Column 4:** Enter the aggregate amount paid during the postpetition period.

### **Professionals**

The schedule for payments to professionals reports payments which have been paid and/or accrued during the postpetition period for professionals. For each professional, provide the following information.

**Column 1:** Itemize the names of the professionals. Up to five entries can be recorded on this schedule; additional copies of this form should be used if the debtor has more than five entries.

**Column 2:** Enter the date(s) of the court order(s) authorizing the professional fees which were paid by the debtor during the reporting period.

**Column 3:** Enter the amount of all professional fees approved by the court during the reporting period.

**Column 4:** Enter the amount of professional fees actually paid during the reporting period.

The amount shown on Line 6, Column 4, should agree with the amount reported on CF-1, Line 30.

**Column 5:** Enter the aggregate amount paid during the postpetition period.

**Column 6:** Enter the aggregate fees which have been incurred by the debtor during the postpetition period, but which remain unpaid as of the end of the reporting period. Include all fees incurred, whether or not they have been submitted to and/or approved by the court. The debtor will, in most instances, be required to make estimates when completing this column.

**POSTPETITION STATUS OF SECURED NOTES,  
LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

This schedule itemizes certain liabilities. The form provides an analysis of whether the debtor is current on its required payments to secured creditors and lessors (including landlords). For each creditor, provide the following information.

**Column 1:** Itemize all secured creditors, leases and rental agreements. Up to five entries can be recorded on this schedule; additional copies of this form should be used if the debtor has more than five entries.

**Column 2:** Enter the amount of the normal, scheduled monthly payment due, such as monthly rental fees or court approved adequate protection payments.

**Column 3:** Enter the amount paid during the reporting period.

The total of this column shown on Line 6 should agree with the sum of Lines 14 through 16 of CF-1.

**Column 4:** Enter the aggregate amount of the unpaid, postpetition obligations which are due as of the end of the reporting period.

<b>MOR-7, QUESTIONNAIRE AND INSURANCE</b>
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MOR-7 requires basic information about the debtor's assets and the debtor's insurance coverage.

The questionnaire portion is self-explanatory. For questions with affirmative responses, further explanation is required in the space provided or on additional sheets, if necessary.

**Insurance**

Questions 1 and 2 are self-explanatory. For questions with "No" responses, further explanation is required in the space provided or on additional sheets, if necessary.

Question 3 requires the itemization of the following information regarding installment payments for insurance coverage.

- |                                       |   |  |
|---------------------------------------|---|--|
| <b>Type of Policy</b>                 | - | Explain the nature of the insurance coverage, e.g., workmen's compensation, fire and theft, casualty, auto, etc.   |
| <b>Carrier</b>                        | - | Identify the name of the company and the agent that provide the insurance coverage.  |
| <b>Period Covered</b>                 | - | Enter the beginning and expiration dates of the insurance policy, e.g., for a policy that provides yearly coverage show the start date (say 6/1/XX) to the end date (5/31 of the following year).  |
| <b>Payment Amount &amp; Frequency</b> | - | Enter the amount of the installment payments, as well as the frequency with which such payments are required, e.g., for a policy which provides coverage from 6/1/XX to 5/31/XX and requires monthly payments of \$100, state "\$100/month." |